

Proposed Rule
LSA Document #12-54

DIGEST

Adds [512 IAC 4](#) to explain and implement the school scholarship program as contained in [IC 20-51-4](#).
Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[512 IAC 4](#)

SECTION 1. [512 IAC 4](#) IS ADDED TO READ AS FOLLOWS:

ARTICLE 4. CHOICE SCHOLARSHIP PROGRAM

Rule 1. School Choice Scholarship

[512 IAC 4-1-1](#) Definitions

Authority: [IC 20-51-4-7](#)

Affected: [IC 6-3.1-30.5](#); [IC 20-18-2-13](#); [IC 20-18-2-16](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-24](#); [IC 20-51](#)

Sec. 1. (a) The definitions in this section apply throughout this rule.

(b) "Choice scholarship" means the award to an eligible individual as determined by [IC 20-51-4](#) for payment of educational services provided by an eligible school.

(c) "Choice scholarship program" refers to the scholarship program created by [IC 20-51-4](#).

(d) "Department" means the department of education established by [IC 20-19-3-1](#).

(e) "Eligible individual" means an individual who meets the requirements of [IC 20-51-1-4.5](#) and this rule.

(f) "Eligible school" means a school that meets the requirements of [IC 20-51-1-4.7](#) and this rule.

(g) For purposes of [IC 20-51-1-4.5](#), an individual is enrolled in a public school corporation for at least two (2) semesters immediately preceding the first semester for which the individual receives a choice scholarship if attendance in the school corporation is established by one (1) of the following:

- (1) An official transcript from the school.
- (2) An attendance entry by the school in the department's official attendance report.

(h) For purposes of subsection (g), "school corporation" means the following:

- (1) Any local public school corporation established under Indiana law.
- (2) A charter school established under [IC 20-24](#).

(Department of Education; [512 IAC 4-1-1](#))

[512 IAC 4-1-2](#) Eligible school requirements

Authority: [IC 20-51-4-7](#)

Affected: [IC 6-3.1-30.5](#); [IC 20-18-2-13](#); [IC 20-18-2-16](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-31-8-3](#); [IC 20-32-5](#); [IC](#)

Sec. 2. (a) The department shall establish and publish the application forms and procedures for designation as an eligible school.

(b) To become an eligible school, the school must do the following:

- (1) Satisfy all of the requirements of [IC 20-51-1-4.7](#).**
- (2) Submit a completed application in accordance with the procedures established by the department.**

(c) The department shall publish and regularly update a list of eligible schools.

(d) An eligible school shall maintain records for verification of student eligibility under [IC 20-51-1-4.5](#) for the time period established and published by the department.

(e) An eligible school, within timelines established and published by the department, must achieve a cumulative student enrollment size of thirty (30) students in assessed grades under [IC 20-32-5](#) for determination of category designation under [IC 20-31-8-3](#).

(f) The department shall establish and publish procedures regarding the maintenance of eligibility status.

(g) The department may take action up to and including suspension or termination, or both, of the school's eligibility if the department determines the school failed to comply with any of the following:

- (1) [IC 20-51-1-4.7](#).**
- (2) [IC 20-51-4-1](#).**
- (3) [IC 20-51-4-3](#).**
- (4) This rule.**
- (5) Any assurances made as part of the application.**
- (6) An obligation to repay any amount due as determined under section 6(d) [*sic*] of this rule.**
- (7) Maintenance of records as required under subsection (d).**

(h) Prior to suspending or terminating a school's eligibility, the department shall provide written notice to the eligible school. The written notice shall include the following:

- (1) The nature of the noncompliance.**
- (2) The corrective action the eligible school must take.**
- (3) The deadline for the corrective action to be implemented.**
- (4) The consequences for failing to take the corrective action by the established deadline.**

(i) If the eligible school fails to remedy the noncompliance within the timeline provided by the department, the department shall notify the eligible school in writing of the:

- (1) suspension or termination of the school's eligibility; and**
- (2) process for appealing the decision.**

(j) The eligible school may appeal the department's action under subsection (g) in accordance with procedures established by the department.

(k) The department shall establish and publish appeal procedures.

(Department of Education; [512 IAC 4-1-2](#))

[512 IAC 4-1-3](#) Eligible individual requirements

Authority: [IC 20-51-4-7](#)

Affected: [IC 6-3.1-30.5](#); [IC 20-18-2-13](#); [IC 20-18-2-16](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-51](#)

Sec 3. (a) The department shall establish and publish the forms and procedures for an individual to apply for a choice scholarship.

(b) To become an eligible individual, the individual must do the following:

(1) Satisfy all of the requirements of [IC 20-51-1-4.5](#).

(2) Submit a completed application in accordance with the procedures established and published by the department.

(c) Choice scholarships will be granted in the order of completed applications received until the limit set forth under [IC 20-51-4-2](#) is reached.

(d) An individual's application must be complete and contain all required information for an eligibility determination to be made. The department will determine an individual's eligibility based on the order in which completed applications are received in the department's offices.

(e) The department will determine the amount of an eligible individual's choice scholarship in accordance with [IC 20-51-4-4](#).

(f) The department will notify the eligible individual and the applicable eligible school of the following:

(1) the student is eligible and the amount of the eligible individual's choice scholarship; or

(2) the student is ineligible and the reason for ineligibility.

(g) A choice scholarship is valid for the school year for which it is awarded. Continued eligibility will be based on continued compliance with subsection (b).

(Department of Education; [512 IAC 4-1-3](#))

[512 IAC 4-1-4](#) Scholarship distributions

Authority: [IC 20-51-4-7](#)

Affected: [IC 6-3.1-30.5](#); [IC 20-18-2-13](#); [IC 20-18-2-16](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-51-1](#); [IC 20-51-4-1](#)

Sec 4. (a) The department will distribute the choice scholarship funds in two (2) distributions each fiscal year.

(b) Prior to distribution of the choice scholarship, the eligible individual (or the parent of the eligible individual) and the eligible school providing educational services to the eligible individual must endorse the distribution on the department's form and in accordance with the process established by the department.

(Department of Education; [512 IAC 4-1-4](#))

[512 IAC 4-1-5](#) Prorated scholarships

Authority: [IC 20-51-4-7](#)

Affected: [IC 6-3.1-30.5](#); [IC 20-18-2-13](#); [IC 20-18-2-16](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-51-1](#); [IC 20-51-4-1](#)

Sec. 5. (a) An eligible school shall notify the department, in accordance with the department's notification procedures, of an eligible individual's withdrawal or expulsion from the eligible school not later than five (5) business days after the withdrawal or expulsion.

(b) If an eligible individual is withdrawn or expelled from the eligible school, the amount of the choice scholarship will be reduced and prorated based on the period of time the eligible individual was enrolled in the eligible school.

(c) If an eligible individual is withdrawn or expelled after the choice scholarship distribution is made, the eligible school may be required to refund to the department a portion of the choice scholarship amount.

(d) The department shall notify the eligible school of any amount to be remitted to the department as the result of withdrawal or expulsion. If the eligible school disagrees with the department's determination of the amount to be remitted, the eligible school may request a review of the determination in accordance with established procedures.

(e) A choice scholarship is not transferrable to another school during the school year.

(Department of Education; [512 IAC 4-1-5](#))

[Notice of Public Hearing](#)

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